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FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 1212

UNCLAS SECTION 1 OF 4 STOCKHOLM 0014

E.O. 11652: N/A

TAGS: BEXP, SW

SUBJECT: EXPORT PROMOTION QUESTIONNAIRE

REFS: 1. STOCKHOLM A-149, APRIL 7, 1972; 2. STATE 238288,
DECEMBER 5, 1973.

1. SUMMARY: SWEDISH GOVERNMENT AND INDUSTRY HAVE HAD SOME EIGHTEEN MONTHS EXPERIENCE WITH EXPORT COUNCIL AND ITS REVISED EXPORT PROMOTION PROGRAMS. FINANCIAL RESPONSIBILITY IS SHARED BY GOS AND INDUSTRY WITH GOS FUNDING AMOUNTING TO 8.2 MILLION SKR. (SWEDISH KRONOR 4.50 - US \$1.00) DIRECTLY INTO PER ANNUM EXPORT COUNCIL BUDGET ON A FISCAL YEAR BASIS (GOS FISCAL YEAR JULY 1 THROUGH JUNE 30) COMMENCING IN FY'73 AND SCHEDULED TO TERMINATE IN FY '77.

2. IN ADDITION TO DIRECT SUBSIDIES, GOS PAYS S&E OF TRADE COMMISSIONERS ABROAD AND PORTION OF S&E OF SWEDISH CHAMBERS OF COMMERCE ABROAD. GOS ALSO FINANCES SUCH S&E AS REQUIRED IN EMBASSIES AND CONSULATES ON BASIS OF DETERMINED NEED FOR COMMERCIAL FUNCTION WITH LATER REVIEWED IN SWEDEN BY JOINT WORKING GROUP COMPRISED OF GOS AND EXPORT COUNCIL (INDUSTRY) REPRESENTATIVES.

3. INDUSTRY CONTRIBUTIONS TO EXPORT COUNCIL BASED ON ANNUAL SUBSCRIPTION OF FIRMS WHO ENROLL IN FORMAL AGREEMENT WITH COUNCIL AND WHO ARE THEREBY ASSESSED FEES ON FORMULA AND SCALE WHICH ENABLES SMALL, NEW-TO-EXPORT FIRMS TO BENEFIT BY
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PAYMENT AS SMALL AS 300 SKR AND LARGEST NOW ENROLLED OLD-TO-,
MARKET FIRM BY PAYMENT OF 72,000 SKR, ALL PAYMENTS FULLY TAX

DEDUCTIBLE. 1,775 FIRMS NOW ENROLLED. (\$1 - 4.57 SKR.)

4. IN ADDITION TO SUBSCRIPTION FEES (WHICH MERELY ENTITLE FIRMS TO SERVICES OF EXPORT COUNCIL) FIRMS PAY FOR SERVICES RENDERED ON A FEE, CHARGE, OR NEGOTIATED FEE BASIS RANGING FROM 300 SKR FOR A WEEKLY "INFORMATION DIGEST" TO 50,000 SKR AS A PARTICIPANT IN AN EXPORT COUNCIL TRADE MISSION. FIRMS MAY DEAL DIRECTLY WITH TRADE COMMISSIONERS OR CHAMBERS OF COMMERCE FOR MARKET RESEARCH AND PAY NEGOTIATED FEE. DOMESTIC SERVICES FOR SMALL AND MEDIUM-SIZED FIRMS BY EXPORT COUNCIL GENERALLY LOW-FEE (300 SKR) AND PROVIDE VARIETY SERVICES INCLUDING COUNCILING, SEMINARS AND CONFERENCES.

5. WHILE FORMAL EXPORT PROMOTION FY PROGRAM NEGOTIATED ANNUALLY BY EXPORT COUNCIL AND GOS REQUIRING FORMAL SIGNATURE BY MINISTER OF TRADE PRIOR IMPLEMENTATION, ENTIRE PROGRAM MAY BE CHARACTERIZED AS FLEXIBLE, TARGET RATHER THAN COUNTRY-ORIENTED WITH GOS AND EXPORT COUNCIL ASSUMING A PRIORI THAT MAJOR BURDEN EXPORT EXPANSION PROGRAMS MUST BE CARRIED BY FIRMS THEMSELVES.

6. CLEAR AND UNAMBIGUOUS RELATIONSHIP OF EXPORT COUNCIL TO MINISTRIES OF TRADE AND FONOFF ENABLES LINES OF COMMUNICATIONS BE KEPT OPEN, FOR FULL INPUTS TO PROGRAMS BY INDUSTRY, AND FOR FLEXIBILITY AND PRAGMATISM IN OVERALL APPROACH.

7. FY FUNDING AFTER 1977 UP FOR REVIEW. EXPERIENCE TO DATE PROPELS EXPORT COUNCIL TO BUILD BASE OF "SUBSCRIBED" OR "SATISFIED" FIRMS ON WHICH PROGRAMS MAY BE CONTINUED SHOULD GOS DIRECT SUBSIDIES BE PHASED OUT. DIRECT FEE AND CHARGE BASIS BY EXPORT COUNCIL, TRADE COMMISSIONERS AND CHAMBERS OF COMMERCE KEEPS THEM ON THEIR TOES FOR EXPORT ORIENTED SWEDISH FIRMS DEMAND FAIR MEASURE FOR PAYMENTS MADE. END SUMMARY.

8. HOW IS FINANCIAL RESPONSIBILITY APPORTIONED BETWEEN TWO SECTORS?

A. REVISED SYSTEM FOR JOINT EXPORT FINANCING BY INDUSTRY
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AND GOVERNMENT COMMENCED JULY 1, 1972 AND TERMINATES JUNE 30, 1976, ON BASIS OF AGREEMENT SIGNED BY MINISTER OF TRADE AND BY CHAIRMAN, BOARD OF DIRECTORS, SWEDISH EXPORT COUNCIL. FOUR YEAR EXPERIMENTAL PROGRAM ENVISAGES THIRTEEN MILLION SKR PAID DIRECTLY INTO EXPORT COUNCIL BUDGET BY GOS IN FOUR INSTALLMENTS OF 3.25 MILLION SKR PER GOS FISCAL YEAR. INDUSTRY CONTRIBUTION DURING SAME PERIOD IS NOW 6.1 MILLION SKR. GIVING EXPORT COUNCIL ANNUAL OPERATING FY BUDGET OF 9.3 MILLION SKR.

B. IN ADDITION GOS PROVIDES 5 MILLION SKR. FOR GOS/INDUSTRY JOINTLY APPROVED EXPORT PROMOTION PROJECTS.

C. FUNDING IN A. ABOVE FOR EXPORT COUNCIL INCLUDES S&E. SUCH AS HOME OFFICE RENT, SALARIES AND TRAVEL OF HOME-BASED PERSONNEL, PRINTING AND MAILING IN CONNECTION WITH EXTENSIVE PUBLICATIONS PROGRAM, EQUIPMENT, SUPPLIES AND SO FORTH.

D. INDUSTRY CONTRIBUTION IN A. ABOVE IS BASED ON SUBSCRIPTION BY FIRMS APPLYING FOR SERVICES. ALL APPLICATIONS ARE REFERRED TO THE EXPORT COUNCIL FOR PROCESSING. ALL SUBSCRIPTIONS ARE ON AN ANNUAL FY BASIS AND, TO DATE, THERE ARE 1775 SUBSCRIBING FIRMS. SUBSCRIPTION BASED ON FOUR TYPES (COPIES OF SUBSCRIPTION FORMS BEING FORWARDED BIC BY SEPARATE COVER) WHICH ESSENTIALLY ARE AS FOLLOWS: FIRST: EQUIPMENT AND/OR GOODS MANUFACTURERS (FROM SOAP TO MINING EQUIPMENT); SECOND: SERVICE EXPORTERS; THIRD: ORGANIZATIONS; FOUR: HOME-BASED ORGANIZATIONS OR FIRMS (LATTER NOT APPLICABLE PURPOSES

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THIS REPORT). FEES PAYABLE ON BASIS OF SUBSCRIPTION CATEGORY BASED ON COMPLICATED FORMULA WITH MINIMUM OF 300 SKR FOR SMALL NEW-TO-EXPORT FIRMS UP TO MAXIMUM 72,000 SKR. FOR LARGEST OLD-TO-EXPORT FIRM NOW ENROLLED. FORMULA IS BASED (IN PART) ON FIRM'S PREVIOUS EXPORT EARNINGS AND, IF NONE, FIRM IS ASSUMED TO BE NEW-TO-EXPORT AND THEN PAYS 300 SKR MINIMUM. SUBSCRIPTION FEES ARE COMPLETELY TAX DEDUCTIBLE.

9. HOW IS NEW EXPORT COUNCIL RELATED TO THE MINISTRIES OF COMMERCE AND FOREIGN AFFAIRS?

A. EXPORT COUNCIL/MINITRADE. SWEDISH FEDERATION OF INDUSTRIES APPOINTS SEVEN AND MINISTRY OF TRADE (MINISTER) APPOINTS SEVEN TO FOURTEEN MEMBER BOARD OF DIRECTORS OF SWEDISH EXPORT COUNCIL. CHAIRMAN IS ELECTED BY MEMBERS AND IS NOT NECESSARILY "GOVERNMENT'S MAN", SINCE, ACCORDING OUR SOURCES, MEMBERS APPOINTED BY MINITRADE INCLUDE PRIVATE INDUSTRY PERSONS. EXPORT COUNCIL PREPARES EXPORT PROMOTION PROGRAM BASED ON FY BASIS IN FALL OF YEAR AND REVIEWS WITH MINITRADE ON FULL INTEGRATED PLANNING BASIS IN FROM FOUR TO SIX SESSIONS DURING PREPARATION STAGES. OARD NO RUBBER STAMP. MEETS WITH EXPORT COUNCIL DIRECTORATE AND MINITRADE REPRESENTATIVES IN JANUARY TO REVIEW EXPORT PROMOTION PROGRAM FOR ENSUING FISCAL YEAR AND GIVES FINAL APPROVAL ONLY AFTER JOINT REVIEWS HAVE BEEN COMPLETED. THIS PROGRAM, IN TURN, GOES TO MINITRADE FOR SIGNATURE. AFTER THESE STEPS ACCOMPLISHED, THE FINAL EXPORT PROMOTION PROGRAM BECOMES THE EXPORT COUNCIL'S DIRECTION FOR ENSUING FISCAL YEAR. THESE
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PROCESSES PROVIDE AMPLE OPPORTUNITY FOR FEDERATION OF INDUSTRIES, TRADE AND INDUSTRY ASSOCIATIONS AND FEDERATIONS AS WELL AS INDIVIDUAL FIRMS TO "HAVE INPUTS INTO AND/OR TO CRITICIZE AND/OR DIRECT THRUST/S OF PROGRAM/S".
EXPORT COUNCIL DIRECTS SWEDISH TRADE COMMISSIONERS AND SWEDISH CHAMBERS OF COMMERCE ABROAD. RECRUITS TRADE COMMISSIONERS AND TRAINS THEM BEFORE OVERSEAS ASSIGNMENTS.

HOWEVER, S&E FOR TRADE COMMISSIONERS ONCE ABROAD, INCLUDING THEIR ADMINISTRATION, HOME LEAVE, TRAVEL, OFFICE SPACE AND FACILITIES AND SO FORTH PAID DIRECTLY BY MINITRADE AND NOT BY EXPORT COUNCIL. IN PART, ON A COMPLICATED FORMULA, S&E OF SWEDISH CHAMBERS OF COMMERCE ABROAD ARE ALSO PAID BY MINITRADE. (FORMULA IS 50 PERCENT OF DIRECT PAYMENTS MADE TO CHAMBER BY SWEDISH-BASED FIRMS FOR CHAMBER'S S&E AS WELL AS PROJECT COSTS, AS CONTRASTED WITH INCOME OF CHAMBER FROM LOCALLY BASED FIRMS, FROM SERVICES AND OPERATIONS WHICH ARE PURELY LOCAL. THIS IS DETERMINED ON AN ANNUAL REVIEW BASIS BY EXPORT COUNCIL AND GOS.)

B. EXPORT COUNCIL/MINIFOREIGN AFFAIRS. DIRECTORATE OF EXPORT COUNCIL MEETS REGULARLY (BUT NO LESS FREQUENTLY THAN SIX TIMES PER YEAR) WITH MFA TO SET POLICY AND REVIEW OPERATIONS OF COMMERCIAL FUNCTIONS AT SWEDISH EMBASSIES AND CONSULATES ABROAD.

HOWEVER, EXPORT COUNCIL DOES NOT DEAL DIRECTLY WITH EMBASSIES/CONSULATES AS REGARDS COMMERCIAL FUNCTION NOR DOES IT RECEIVE GOS FUNDING WITHIN MEANING OF PARAGRAPH 8A ABOVE. HOWEVER, SOME PORTION OF FUNDING WITHIN MEANING OF PARAGRAPH 8B MAY BE, ON AN AD HOC BASIS, DESIGNATED BY EXPORT COUNCIL

FOR EXPORT PROMOTION (FUNCTION/S) AT NON TRADE COMMISSIONER
OR NON CHAMBER OF COMMERCE POST.

EXPORT COUNCIL, MFA AND FONOFF HAVE CREATED WORKING GROUP
WHICH MEETS REGULARLY BUT NO LESS FREQUENTLY THAN SIX TIMES
PER YEAR. THIS GROUP DECIDES ON POLICIES AND ACTIONS WITH
RESPECT TO INTEGRATION OF EMBASSIES AND CONSULATES INTO
COMMERCIAL FUNCTION ABROAD. TYPICAL OF WORKING GROUP CURRENT
AGENDA:

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(1) WHAT ARE NEEDS FOR COMMERCIAL WORK IN EMBASSIES AND
CONSULATES?

(2) WHAT ARE COUNTRIES WHICH MAY BE DESCRIBED AS LDC'S SO
FAR AS EXPORT COUNCIL'S "TARGETS OF OPPORTUNITY" FOR EXPORTS
ARE CONCERNED?

(3) WHICH EASTERN EUROPEAN COUNTRIES SHOULD HAVE COMMERCIAL
STAFFS AND FOR WHAT PURPOSE?

(4) SELECTION, EDUCATION AND TRAINING OF STAFF.

AS REGARDS (1), (2) AND (3) ABOVE, IT SHOULD BE NOTED THAT
TRADE COMMISSIONERS AND CHAMBERS OF COMMERCE ARE ALL IN
DEVELOPED COUNTRIES (AS DEFINED BY GOS AND EXPORT COUNCIL)
AND THESE DEAL PRIMARILY WITH EXPORT PROMOTION PROGRAM (AND
PROJECTS) DESCRIBED ABOVE WITHIN "REFERENCE
GROUPS" IDENTIFIED BY EXPORT COUNCIL. FOR PURPOSES THIS
REPORT. "REFERENCE GROUPS" ARE VERY ANALOGOUS TO USDOC/BIC
"TIR" CONCEPT OR "TARGET INDUSTRIES" WITHIN MEANING OF STATE
A-298, JULY 21, 1972 AS RE-DEFINED BY A-9312, NOVEMBER 12, 1973.

10. WHAT TYPES OF PROMOTION AND INFORMATION ACTIVITIES ARE
STRESSED BY THE NEW COUNCIL.

A. MISSIONS. NOW RECEIVING PRIMARY EMPHASIS IN PROGRAM.
TYPICAL WERE SWEDISH TECHNICAL MISSION TO THE OFFSHORE
INDUSTRY (TEXAS AND LOUISIANA, OCTOBER 1-12, 1973) SEE
EMBASSY A-431, NOVEMBER 13, 1973; PULP AND PAPER MISSION TO
USA/CANADA (MONTREAL, VANCOUVER, PORTLAND, (ORE), ATLANTA,

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NEW YORK, CHICAGO, HOUSTON (DECEMBER 1973) AND MINERAL MISSION TO CHILE, APRIL 1973. (COMPLETE PROGRAM OUTLINE LATTER BEING AIRMAILED BIC/OIM) THESE HARE HARD-HITTING, EQUIPMENT/SYSTEMS/TECHNIQUE ORIENTED PROJECTS. PARTICIPATING FIRMS PAY ENTIRE EXPENSES THEIR PORTION INCLUDING:

(1) ADVANCED PLANNING SWEDEN WHICH REQUIRED (NO EXCEPTIONS) MULTI-SESSIONS STOCKHOLM TO CRITIQUE PAPERS, SLIDES AND FILMS UNDER SESSION CHAIRMAN IN DESIGNATED CITIES ON MISSION ITINERARY. IF FIRMS BALK AT REQUIREMENTS THEY ARE SELECTED OUT OF MISSIONS AND FUNDS RETURNED LESS DEDUCTIONS. ONCE FIRM ENROLLED NO REFUNDS AND NO DROP-OUTS.

(2) PER DIEM FIRM'S REPRESENTATIVE/S, TRAVEL COSTS AND PORTION COSTS HOSPITALITY AND RELATED EXPENSES.

(3) PRIOR MARKET RESEARCH DONE UNDER DIRECTION OF SELECTED TRADE COMMISSIONER DESIGNATED BY EXPORT COUNCIL.

DIRECTOR EXPORT COUNCIL INFORMED EMBASSY THAT FOR MINING MISSION, FIFTEEN PARTICIPATING FIRMS PAID APPROXIMATELY ONE HALF MILLION SKR. TO PARTICIPATE. PULP AND PAPER EQUIPMENT MISSION, FIFTEEN PARTICIPATING FIRMS EACH PAID UP TO 50,000 SKR. THESE PAYMENTS NOT PART OF SUBSCRIPTION FEES IN 8A ABOVE, NOR FOR MARKET RESEARCH.

B. SAMPLE SHOWS. SOMEWHAT ANALOGOUS TO BIC-TYPE CATALOG EXHIBITIONS ALTHOUGH PRIMARILY ORGANIZED TO ASSIST SMALL AND UNCLASSIFIED

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MEDIUM-SIZED NEW-TO-EXPORT FIRMS. PARTICIPATING FIRMS PAY COSTS AND REQUIRED SEND QUALIFIED REPRESENTATIVES WHOSE EXPENSES ALSO FOR FIRM'S ACCOUNT.

C. SEMINARS AND CONFERENCES IN SWEDEN. IDENTIFIED SERIES CONFERENCES ORGANIZED IN SWEDEN BY EXPORT COUNCIL, PRIMARILY FOR SMALL AND MEDIUM-SIZED FIRMS INCLUDING NEW-TO-EXPORT FIRMS. TYPICAL OF THOSE IN FY '74 PROGRAM ARE THE FOLLOWING: (1) HOW TO SELL TO DEPARTMENT STORES IN AUSTRALIA; (2) HOW TO SELL TO THE PETRO-CHEMICAL INDUSTRY (IN DESIGNATED DEVELOPED MARKET AREAS), INCLUDES SUCH DETAILS AS HOW PURCHASING IS DONE BY OIL COMPANIES IN GIVEN COUNTRIES; (3) HOW TO ESTABLISH A JOINT VENTURE IN MEXICO; (4) HOW TO SELL TO JAPANESE DEPARTMENT STORES; (5) CONFERENCE ON SALES AND AGREEMENTS IN EASTERN EUROPE INCLUDING SPECIFICS AS REGARDS CREDIT LINES AVAILABLE AND HOW IDENTIFIED AND OBTAINED (SWEDISH COMMERCIAL AND EXPORT CREDIT BANKS PARTICIPATE). BOOKS, CHECKLISTS, CONFERENCE PAPERS, AND, AS APPROPRIATE, MARKET RESEARCH PROVIDED TO PARTICIPATING FIRMS WHO EACH PAY A 300 SKR SUBSCRIPTION FEE TO PARTICIPATE.

D. SPECIALIZED BUYING MISSIONS TO SWEDEN. BASED ON MARKET RESEARCH BY CHAMBERS OF COMMERCE OR TRADE COMMISSIONERS, EXPORT PROMOTION PROGRAM FOR GIVEN YEAR IDENTIFIES "TIR" AND COUNTRY. FOR EXAMPLE, FY '74 PROGRAM INCLUDES A SWEDISH ORGANIZED BUYING MISSION TO SWEDEN FOR THE MARINE/HIPPING INDUSTRY. FIRMS AND DECISION MAKERS IN SPAIN ARE IDENTIFIED AND SWEDISH COMPANIES PARTICIPATING IN SWEDEN PAY A PRO-RATA COST OF FINANCING THE TRANSPORTATION AND PER DIEM AND RELATED COSTS OF MISSION INCLUDING HOSPITALITY DURING MISSION'S STAY.

11. ARE ANY SPECIAL EFFORTS MADE IN BEHALF OF SMALL AND MEDIUM-SIZED FIRMS WHICH ARE NEW-TO EXPORT?

OUR SOURCES EMPHASIZED THAT IT IS THE COLLECTIVE VIEW OF ALL CONCERNED WITH EXPORT PROMOTION EITHER IN EXPORT COUNCIL OR GOS THAT IT IS "MAINLY UP TO THE FIRMS TO SELL ABROAD". THIS BEING SAID, IT WAS REPORTED THAT 50 PER CENT OF SUBSCRIBERS TO NEW PROGRAM ARE SMALL OR MEDIUM-SIZED FIRMS WITH THE LARGER ESTABLISHED EXPORTERS ALMOST COMPLETELY SUBSCRIBED AND ACCOUNTING FOR THE LARGEST PERCENTAGE OF INCREMENTAL EXPORT SALES.
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THUS, WHILE EXPORT COUNCIL AND GOS DESIRE TO ASSIST SMALL AND MEDIUM-SIZED FIRMS, THEY REPORT BEING PLEASED WITH WHAT THEY DESCRIBE AS A REASONABLE BALANCE BETWEEN SMALL AND MEDIUM-SIZED FIRMS (MANY NEW-TO-EXPORT) AND THE LARGER ESTABLISHED EXPORT-ORIENTED FIRMS.

12. EXPORT COUNCIL, UNDER NEW PROGRAM, EMPHASIZES INDIVIDUAL AND PERSONAL ATTENTION TO SMALL FIRMS AND PARTICULARLY NEW-TO-EXPORT FIRMS. UNDER THIS PROGRAM, (IN ABSENCE OF USDOC-TYPE OF OFFICE OF FIELD OPERATIONS) EXPORT COUNCIL TWICE YEARLY SWINGS

AROUND SWEDEN FOR CONFERENCES ON SUCH SUBJECTS AS EXPORT FINANCING, AND HOW TO EXPORT. ALSO DEVELOPING REGIONAL GROUPINGS IN MAIN SWEDISH MANUFACTURING CITIES FOR QUARTERLY (OR AS FREQUENTLY AS REQUIRED) CONFERENCES FOR DELEGATIONS OF SMALL FIRMS TO ASSIST THEM IN EXPORT INFORMATION AND PROBLEM SOLVING.

13. ADDENDUM: IN FY 1974, EXPORT COUNCIL MOVED INTO PROGRAM OF CHARGING FIRMS FOR SERVICES RENDERED IN ADDITION TO SUBSCRIPTION FEE DESCRIBED ABOVE. THUS, FOR OVERSEAS OPERATIONS, INDIVIDUAL FIRMS MAY WRITE DIRECTLY TO TRADE COMMISSIONERS OR CHAMBERS OF COMMERCE FOR MARKET RESEARCH FOR WHICH TRADE COMMISSIONER IS PAID A FEE ON A FLEXIBLE SCALE DEPENDING UPON THE HOURLY COST (AND EXPENSES) TO THE OFFICE CONCERNED. COPIES OF THESE SURVEYS (BY SWEDISH LAW) ARE NOT AVAILABLE TO THE EXPORT COUNCIL NOR TO OTHER FIRMS. AGENCY SERVICE IS ALSO PROVIDED BY TRADE COMMISSIONERS AND CHAMBERS OF COMMERCE. CHARGES FOR SUCH SERVICES, DEPENDING UPON THE MARKET AND THE COMPLEXITY, MAY RUN FROM 90 TO 2,000 SKR.

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14. DOMESTICALLY, SUBSCRIBING FIRMS MAY BUY A WEEKLY INFORMATION SERVICE FOR A SUPPLEMENTAL FEE OF 300 SKR. A COPY OF THE TYPE OF CHECKLIST FROM WHICH INTERESTED (SUBSCRIBING) FIRMS MAY CHOOSE HAS BEEN FORWARDED TO BIC/OIM UNDER SEPARATE COVER. BASICALLY, THIS SERVICE PROVIDES THE SORT OF INFORMATION PUBLISHED IN BIC'S PUBLICATIONS PROGRAMS SUCH AS DATA ON NTTB'S IN GIVEN COUNTRIES, TRADE AND INDUSTRY DATA, EXPORT MARKET GUIDES, AND OBR'S. IN ADDITION, THE HOME-BASED EXPORT COUNCIL GROUP HAS NOW ESTABLISHED A SMALL PROFESSIONAL STAFF (FIVE) TO UNDERTAKE MARKET RESEARCH ON A REIMBURSABLE BASIS FOR SUBSCRIBING FIRMS.

THIS WAS STARTED LATE IN FY '74 AND HAS PROVED TO BE VERY POPULAR. TO DATE, SOME 300,000 SKR HAVE BEEN COLLECTED FOR SOME 75 RESEARCH PROJECTS IN LDC'S, DEVELOPED MARKETS, AND NORDIC COUNTRIES. SPECIAL PROJECTS ARE UNDERTAKEN UPON THE APPROVAL OF THE DIRECTOR OF THE EXPORT COUNCIL WITH THE FEE APPARENTLY NEGOTIATED.

15. COMMENT: ALL CONCERNED WITH NEW EXPORT PROMOTION PROGRAMS, FUNDING AND SYSTEMS SEEM TO BE PLEASED WITH FIRST EIGHTEEN MONTHS EXPERIENCE. ALTHOUGH SWEDISH EXPORTS DURING THIS PERIOD HAVE TAKEN A DRAMATIC RISE - INDEED, DURING ONE QUARTER OF CY 73 THEY JUMPED AN ASTOUNDING 27 PERCENT - DURING THE PERIOD UNDER REVIEW, NO ONE, NOT IN THE EXPORT COUNCIL NOR IN THE GOS ATTRIBUTES THIS IN WHOLE OR EVEN IN SIGNIFICANT PART TO THE COMBINED EFFORTS REVIEWED IN THIS REPORT.

16. THE FACTS ARE THAT SWEDEN'S EXPORT ORIENTED INDUSTRIES HAVE BEEN THE BENEFICIARIES OF, AMONG OTHER FACTORS, "AN
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IMPORT BINGE" IN WESTERN EUROPE AND THE UNITED STATES. EC COUNTRIES, IN PARTICULAR, HAVE BEEN ABSORBING INCREASING QUANTITIES OF SWEDISH EXPORTS. THERE IS CONCERN HOWEVER, THAT CYCLICAL DOWNTURN IN WESTERN EUROPE PLUS ADVERSE IMPACT OF OIL CRISIS MAY SERIOUSLY CURTAIL SWEDISH EXPORTS.

17. SINCE THE AGREEMENT BETWEEN THE EXPORT COUNCIL AND THE GOS ENVISAGES THE GOS CONTRIBUTION UNDER 8A TO BE REDUCED TO ZERO IN FY 1977 AND THE EXPORT PROMOTION SUBSIDY IN 8B TO BE CHANGED OR REDUCED OR RENEGOTIATED, THE STRATEGY OF THE EXPORT COUNCIL IS NOW TO BUILD ITS SUBSCRIPTION BASE OF PARTICIPATING FIRMS AS DESCRIBED IN 8D AND TO EXPAND ITS FEE SERVICES AS DESCRIBED IN THE ADDENDUM. THIS WILL ENABLE THE EXPORT PROMOTION PROGRAMS AND SYSTEMS TO CONTINUE WHETHER OR NOT GOS FUNDING IS AVAILABLE, ACCORDING TO THE EXPORT COUNCIL, ALTHOUGH IT ANTICIPATES THAT SOME GOS SUBSIDIES WILL BE INCLUDED IN ITS BUDGETS WELL BEYOND FY 1977.

18. SWEDISH EXPORT PROMOTION PROGRAMS MAY BE CHARACTERIZED AS FLEXIBLE, PRAGMATIC AND TARGET RATHER THAN COUNTRY ORIENTED. NEITHER THE EXPORT COUNCIL NOR THE GOS FOCUSES ON EASTERN EUROPE OR THE LDCS PER SE; THESE ARE TREATED AS "TARGETS OF OPPORTUNITY". DUE ATTENTION (PRIMARILY AT HOME) IS GIVEN TO SMALL AND MEDIUM SIZED FIRMS; HOWEVER, ALL CONCERNED LOOK TO THE BIGGEST TRADITIONAL EXPORT-ORIENTED FIRMS TO EXPERIENCE INCREASES IN SALES ABROAD AND THUS TO CONTINUE TO LEAD THE WAY IN SWEDEN'S EXPORT EXPANSION EFFORTS. OLSEN

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